

INCLUDED IN THIS ISSUE

Crop Weather Agricultural Prices Received ERS

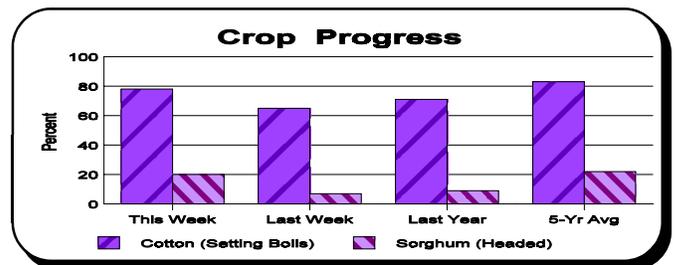
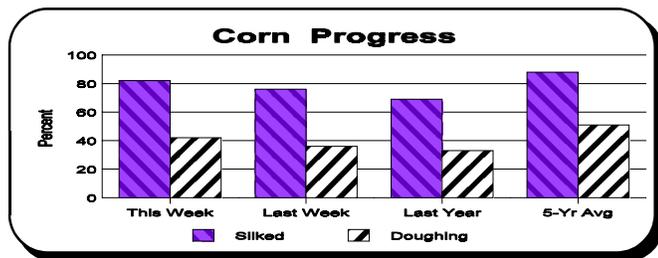
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CROP SUMMARY FOR THE WEEK ENDING AUGUST 1, 2004

NEW MEXICO: There were 6.0 days suitable for fieldwork. Topsoil moisture was 13% very short, 34% short, 45% adequate, and 8% surplus. Farmers spent the week preparing soil for replanting, irrigating, and harvesting wheat, oats, fruits, and chile. General crop conditions were hardly affected by wind with 8% light and 1% moderate damage reported. No hail damage was reported. Alfalfa was reported fair to excellent with 88% of the 3rd cutting and 21% of the 4th complete. Cotton conditions remained stable at 23% fair, 54% good, and 23% excellent. Progress was at 78% setting bolls. Corn conditions were also reported fair to excellent with 82% of the crop silking, 42% doughing, and 11% dented. Sorghum was reported as 71% fair, 28% good, and 1% excellent with 20% of the total crop headed. Peanuts were 31% fair, 48% good, and 21% excellent with 87% of the crop reported pegging. Pecans continue to be in fair to excellent condition. Chile conditions were listed as 1% poor, 18% fair, 61% good, and 20% excellent with 9% of green chile reported harvested. Apple conditions were mostly very poor to fair. Fall lettuce planting began last week with 10% reported complete. Pinto beans were reported to be in good to excellent condition, while pumpkin and watermelon were in good condition. Ranchers were busy with conservation practices, maintaining herds, and providing supplemental feeding. Cattle conditions declined slightly despite the rains with reports showing 3% very poor, 12% poor, 30% fair, 37% good, and 18% excellent. Sheep conditions improved slightly with 6% very poor, 15% poor, 33% fair, 42% good, and 4% excellent. Reports indicated range and pasture conditions to be 19% very poor, 33% poor, 25% fair, 16% good, and 7% excellent.

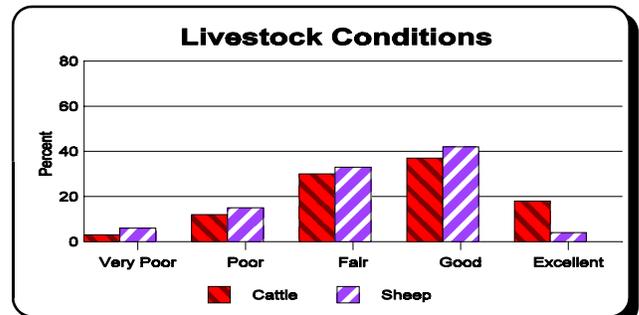
CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE	Harvested-Green	9	N/A	13	7
CORN	Silked	82	76	69	88
CORN	Doughing	42	36	33	51
COTTON	Setting Bolls	78	65	71	83
LETTUCE	Planted	10	N/A	1	10
PEANUTS	Pegging	87	86	65	45
SORGHUM	Headed	20	7	9	22



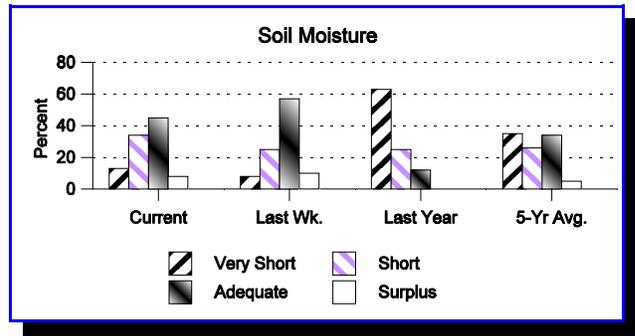
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very	Poor	Fair	Good	Excellent
Alfalfa	-	-	34	53	13
Apples	20	60	20	-	-
Chile	-	1	18	61	20
Corn	-	-	15	64	21
Cotton	-	-	23	54	23
Peanuts	-	-	31	48	21
Pecans	-	-	26	59	15
Sorghum	-	-	71	28	1
Cattle	3	12	30	37	18
Sheep	6	15	33	42	4
Range/Pasture	19	33	25	16	7



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	28	36	34	2
Northeast	4	32	55	9
Southwest	28	47	25	--
Southeast	--	27	55	18
State Current	13	34	45	8
State-Last Wk.	8	25	57	10
State-Last Year	63	25	12	--
State-5-Yr Avg.	35	26	34	5



WEATHER SUMMARY

Most locations measured some rainfall from thunderstorms during the week, although activity was far less widespread and generally lighter than the week before. Silver City (1.43") and Clayton (1.33") were the only locations that received over an inch of rain. Although hotter weather returned as the week progressed, the cool beginning caused the weekly average temperatures to be a few degrees below normal at most places, especially in the eastern plains. There were no 100 degree temperatures recorded during the week. Extreme temperatures ranged from 36 at Red River on several mornings to 98 at Deming on the 30th.

NEW MEXICO WEATHER CONDITIONS JULY 26 - AUGUST 1, 2004

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	07/26 08/01	08/01 08/01	Normal Aug	01/01 08/01	Normal Jan-Aug
Carlsbad	74.9	92	60	0.30	0.00	2.25	12.32	7.99
Tatum	71.1	89	57	0.06	0.00	2.48	13.22	11.17
Roswell	75.0	93	61	0.18	0.04	2.03	9.51	8.77
Clayton	69.0	88	52	1.33	0.00	2.61	14.74	11.61
Clovis	72.5	91	57	0.22	0.00	3.17	14.29	12.74
Roy	65.9	85	51	0.78	0.00	2.81	12.72	11.84
Tucumcari	73.2	94	54	0.16	0.00	2.41	10.88	10.98
Chama	61.9	88	40	0.17	0.00	2.82	8.90	13.90
Johnson Ranch	66.1	90	45	0.00	0.00	2.29	7.69	7.72
Capulin	62.5	83	47	0.34	0.00	2.56	12.23	13.08
Las Vegas	63.9	85	48	0.59	0.00	4.27	11.87	13.87
Los Alamos	--	--	--	0.46	0.00	3.52	10.26	13.18
Raton	64.0	84	46	0.48	0.00	3.21	14.46	13.03
Santa Fe	67.9	89	47	0.48	0.00	2.39	5.84	10.03
Red River	55.0	79	36	0.41	0.00	3.10	14.34	15.03
Farmington	74.3	97	54	T	0.00	1.05	4.12	5.36
Gallup	67.9	91	47	0.79	0.00	2.26	4.00	8.36
Grants	67.6	89	47	0.07	0.00	2.16	3.74	6.95
Silver City	68.1	90	53	1.43	0.00	3.09	9.12	10.64
Quemado	67.3	88	46	0.00	0.00	3.12	4.53	9.68
Albuquerque	75.5	92	60	0.09	0.00	1.64	7.80	6.06
Carrizozo	70.3	92	43	0.00	0.00	2.69	4.87	8.24
Gran Quivera	68.9	90	52	0.01	0.00	3.27	7.62	10.79
Moriarty	65.7	92	45	0.47	0.00	2.69	8.47	9.06
Ruidoso	62.6	82	45	0.82	0.00	4.04	10.12	15.03
Socorro	--	--	--	0.00	0.00	1.90	6.06	5.84
Alamogordo	76.4	95	59	0.58	0.58	2.41	5.10	7.92
Animas	77.1	95	63	0.40	0.00	2.34	6.48	7.08
Deming	77.5	98	60	0.25	0.15	2.05	6.47	6.48
T or C	76.4	96	61	0.31	0.10	2.15	5.15	6.59
Las Cruces	77.7	96	61	0.26	0.00	2.29	5.36	5.92

(T) Trace (-) No Report (*) Correction

All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

CATTLE/BEEF OUTLOOK

USDA, ERS, July 16, 2004

Cattle Slaughter Weights Rise Seasonally, Market Nervous: Beef supplies remain tight, but the tightest supply/demand situation this year is already past. Demand is softening seasonally and slaughter weights are rising more than seasonally. Weights are rising against very low weights a year ago as cattle were being pulled forward in the absence of cattle imports following Canada's May 20 discovery of BSE. Following the U.S. discovery of a Canadian-born dairy cow in Washington State with BSE, beef supplies in the U.S. remained tight, even as exports to other countries ceased and this beef was worked into the domestic market. Canada and Mexico have resumed importing certain cuts of U.S. beef under 30 months of age, and imports of similar beef into the U.S. increased this spring. Two inconclusive screening tests in late June created a very unsettled market, but further confirmatory testing revealed that both were negative for BSE. Slower summer demand and rising supplies are resulting in a softer market and will keep prices under pressure. The price spread between Choice and Select grade beef has declined from near \$18 per cwt in April to less than \$2 in early July.

Mid-Year Cattle Inventory Decline Continues: Although the cattle sector may be moving toward expansion, any expansion will have to come from heifers retained from this year's calf crop for breeding in 2005. First-half cow

slaughter was down 15 percent from a year earlier. If grazing conditions in the Great Plains and eastern half of the country remain favorable, cow slaughter should continue well under year-earlier levels. Both steer and heifer slaughter are down simply because numbers available for slaughter have been down. This is the first year of real possibility for heifer retention since 1997, and even then declining forage conditions ended expansion expectations since 1998.

Heifer Retention to Tighten Supplies in Late 2004 and 2005: As cow slaughter continues to decline and more heifers are retained, feedlot inventories of market-ready cattle will begin to decline but not before late fall. Cattle-on-feed inventories are likely to be near to above year-earlier levels at mid year, and weights are increasing well above a year ago. While fed cattle marketings are likely to remain below a year earlier, supplies of higher grading beef are increasing and will reduce some of the market pressure to secure supplies. July 1 Cattle on Feed and Cattle reports, to be released by NASS on July 23, will provide the next solid view on producer actions regarding expansion. These reports contain information on heifer retention, heifers on feed and of course the first estimate on the 2004 calf crop. This data will begin to firm estimates of beef supplies later this year and in 2005.

AGRICULTURAL PRICES RECEIVED

NEW MEXICO: Prices received in New Mexico during July for All Hay and Alfalfa continued to show a decline from the previous month. All Hay for July was \$116.00 per ton compared to \$120.00 in June and Alfalfa prices for July were \$119.00 per ton compared to \$123.00 the previous month. Mid-month cow prices were \$4.20 higher in July coming in at \$58.40 per hundredweight compared to \$54.20 the previous month and \$2.50 higher than the national average of \$55.90 per hundredweight. Steer and heifer prices also increased during July to \$110.00 per hundredweight and were \$18.90 higher than the national average of \$91.10. Calf prices for July were \$127.00 per hundredweight, \$1.00 below the national average of \$128.00 per hundredweight. July milk cow replacement prices were \$1,830 per head, \$110 above the national average price of \$1,720 per head. Milk prices, at \$16.90 per hundredweight, were 50 cents below the previous month's price of \$17.40, but still remained 70 cents above the national average.

Prices Received by Farmers: Selected Commodities, June 2004 and July 2003-04

Commodity	Unit	New Mexico			U.S. ^{1/}
		July 2003 ^{1/}	June 2004 ^{2/}	July 2004 ^{1/}	July
-----Dollars-----					
CROPS					
Grain Sorghum	Cwt.	—	—	—	4.07
Cotton, Upland	Lb.	—	—	—	.593
Potatoes	Cwt.	—	—	—	6.59
Hay, all baled	Ton	140.00	120.00	116.00	90.40
Alfalfa, baled	Ton	144.00	123.00	119.00	98.40
Corn	Bu.	—	—	—	2.42
Wheat, all	Bu.	—	—	—	3.36
LIVESTOCK					
Sheep ^{3/}	Cwt.	—	—	—	32.10
Lambs ^{3/}	Cwt.	—	—	—	105.00
Cows	Cwt.	46.00	54.20	58.40	55.90
Steers & Heifers	Cwt.	88.30	104.00	110.00	91.10
Calves	Cwt.	101.00	122.00	127.00	128.00
Milk Cow Replacement ^{4/}	Head	1,380	—	1,830	1,720
Milk	Cwt.	11.40	17.40	16.90	16.20

^{1/} Mid-month. ^{2/} Entire month. ^{3/} June - entire month. ^{4/} Animals sold for dairy herd replacement only. Prices available for Jan., Apr., Jul., and Oct.